



TSX.V: CPC

Annual Audited Financial Statements

For the years ended December 31, 2016 and December 31, 2015

(expressed in Canadian Dollars)

**260-2366 Avenue C North
Saskatoon, SK S7L 5X5**

Independent Auditors' Report

To the Shareholders
Canadian Platinum Corp.

We have audited the accompanying financial statements of Canadian Platinum Corp., which comprise the statements of financial position as at December 31, 2016 and December 31, 2015, and the statements of loss and comprehensive loss, statements of changes in shareholders' equity and statements of cash flows for the years ended December 31, 2016 and December 31, 2015, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Platinum Corp. as at December 31, 2016 and December 31, 2015, and its financial performance and its cash flows for the years ended December 31, 2016 and December 31, 2015 in accordance with International Financial Reporting Standards.

Emphasis of Matter

We draw attention to note 2 to the financial statements which describes conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Corporation's ability to continue operating as a going concern. Our opinion is not qualified in respect of this matter.

Collins Barrow Calgary LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Calgary, Canada
April 28, 2017

Canadian Platinum Corp.
Statements of Financial Position
As at December 31, 2016 and 2015
(amounts in Canadian dollars)



Assets	Notes	2016	2015
Current assets			
Cash		\$ 463	\$ 1,027
GST recoverable		3,455	8,306
Prepaid expenses		-	1,225
Total current assets		3,918	10,558
Exploration and evaluation assets	6	2,984,056	5,957,319
Total assets		\$ 2,987,974	\$ 5,967,877
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	9	\$ 94,964	\$ 44,913
Due to related parties	9	399,372	333,718
Total current liabilities		494,336	378,631
Total liabilities		494,336	378,631
Shareholders' Equity			
Share capital	8	15,512,816	15,512,816
Contributed surplus	8	3,519,636	3,491,439
Deficit		(16,538,814)	(13,415,009)
Total shareholders' equity		2,493,638	5,589,246
Total liabilities and shareholders' equity		\$ 2,987,974	\$ 5,967,877
Going concern	2		
Commitments	6, 11		
Subsequent events	12		

See accompanying notes to the financial statements.

Approved by the Board:

(Signed) "Gary Billingsley", Director

(Signed) "Douglas Billingsley", Director

Canadian Platinum Corp.
Statements of Loss and Comprehensive Loss
For the Years Ended December 31, 2016 and 2015
(amounts in Canadian dollars)



	Notes	2016	2015
Expenses			
Advertising and promotion		\$ 250	\$ 23,743
Bank charges		180	258
Impairment of exploration and evaluation assets	6	2,973,263	2,641,590
Office		25,454	21,280
Professional fees	9	83,172	72,553
Filing fees		10,714	12,193
Share-based compensation	8	28,197	11,803
Transfer agent		2,575	5,902
<hr/>			
Loss before income taxes		(3,123,805)	(2,789,322)
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Deferred income tax recovery	7	-	-
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Net loss and comprehensive loss for the year		\$ (3,123,805)	\$ (2,789,322)
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Basic and diluted loss per share (126,124,565 weighted average common shares)		\$ (0.02)	\$ (0.02)

See accompanying notes to the financial statements.

Canadian Platinum Corp.
Statements of Changes in Shareholders' Equity
For the Years Ended December 31, 2016 and 2015
(amounts in Canadian dollars)



	Notes	Number of common shares	Share Capital stated value	Contributed surplus	Deficit	Total equity
Balance at January 1, 2015		126,124,565	\$15,512,816	\$3,479,636	\$(10,625,687)	\$8,366,765
Stock-based compensation	8	-	-	11,803	-	11,803
Loss and comprehensive loss		-	-	-	(2,789,322)	(2,789,322)
Balance at December 31, 2015		126,124,565	15,512,816	3,491,439	(13,415,009)	5,589,246
Balance at January 1, 2016		126,124,565	15,512,816	3,491,439	(13,415,009)	5,589,246
Stock-based compensation	8	-	-	28,197	-	28,197
Loss and comprehensive loss		-	-	-	(3,123,805)	(3,123,805)
Balance at December 31, 2016		126,124,565	\$15,512,816	\$3,519,636	\$(16,538,814)	\$2,493,638

See accompanying notes to the financial statements.

Canadian Platinum Corp.
Statements of Cash Flows
For the Years Ended December 31, 2016 and 2015
(amounts in Canadian dollars)



	Notes	2016	2015
Cash provided by (used in):			
Operating activities			
Loss and comprehensive loss for the year		\$ (3,123,805)	\$ (2,789,322)
Adjustments for:			
Impairment of exploration and evaluation assets		2,973,263	2,641,590
Stock-based compensation	8	28,197	11,803
Changes in non-cash working capital	10	56,127	(242)
Net cash used in operating activities		(66,218)	(136,171)
Financing activity			
Advances from related parties	9	65,654	165,305
Net cash from financing activity		65,654	165,305
Investing activity			
Exploration and evaluation expenditures	6	-	(31,031)
Net cash used in investing activity		-	(31,031)
Change in cash		(564)	(1,897)
Cash, beginning of year		1,027	2,924
Cash, end of year		\$ 463	\$ 1,027
Supplemental cash flow information	10		

See accompanying notes to the annual audited financial statements.

Canadian Platinum Corp.
Notes to the Financial Statements
For the years ended December 31, 2016 and 2015
(amounts in Canadian dollars)



1. Nature of Operations

Canadian Platinum Corporation (the "Corporation") is a public company whose shares are listed on the TSX-V. The Corporation is in the business of acquiring, exploring and developing mining properties. The address of business of the Corporation is Suite 260 – 2366 Avenue C North, Saskatoon, Saskatchewan, Canada, S7L 5X5.

To date, the Corporation has not yet determined whether its properties contain ore reserves that are economically recoverable. Accordingly, costs related to the exploration of minerals have been considered as costs related to the pre-operating stage. Once the Corporation completes preliminary testing and commences field activity, it will be considered to be in the commercial operations phase.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable mineral reserves, continued confirmation of the Corporation's interest in the underlying concessions, the ability of the Corporation to obtain necessary financing to complete the development of the properties, and the generation of sufficient income through future production from ore disposition or farm-out of existing mining interests.

These financial statements were approved and authorized for issuance by the Board of Directors on April 28, 2017.

2. Going concern

The Corporation has not yet earned operational revenue as it is still in the exploration phase of its business. The operations of the Corporation are currently being financed from funds which the Corporation raised from past private and public placements of its shares. The Corporation is reliant on the continuing support from its existing directors and future shareholders (Notes 9 and 12). The Corporation has an accumulated deficit of \$16,538,814 (2015 - \$13,415,009) and working capital deficit of \$490,418 (2015 - \$368,073) at December 31, 2016. These factors create a material uncertainty that may cast significant doubt about the Corporation's ability to continue as a going concern.

The Corporation will need to raise additional equity or incur additional debt to continue operations for the foreseeable future and to meet its liabilities as they fall due. There is no assurance that the Corporation will be successful in completing the raising of additional equity or will be able to obtain additional debt on terms acceptable to the Corporation. The Corporation's ability to continue as a going concern is dependent on its ability to obtain the necessary financing to fund its operations.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported revenue and expenses and the statement of financial position classification used.

3. Basis of preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with the standards and interpretations issued by the International Accounting Standards Board ("IASB"). These include International Financial Reporting Standards ("IFRS"), International Accounting Standards ("IAS"), the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") and the Standing Interpretations Committee ("SIC"), which are effective and applicable to the Corporation as at the end of its current fiscal year.

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for financial instruments



classified as financial instruments at fair value through profit and loss, which are stated at their fair value (Note 5(b)).

(c) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is also the Company's functional currency.

(d) Critical accounting estimates and judgments

The preparation of these financial statements in conformity with IFRS requires management to make judgments and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Valuation of exploration and evaluation assets

The valuation of exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves which in turn is dependent on future mineral prices, future capital expenditures and environmental and regulatory restrictions.

Exploration and evaluation assets are aggregated into cash-generating units ("CGUs") based on their ability to generate largely independent cash flows and are used for impairment testing. The calculation of assets into CGUs requires significant judgment and interpretations with respect to the integration between assets, the existence of active markets, external users, shared infrastructure and the way in which management monitors the Corporation's operations. The determination of the Corporation's CGUs is subject to management's judgment.

Income taxes

The amounts recorded for deferred income taxes are based on estimates as to the timing of the reversal of temporary differences and tax rates currently substantively enacted. They are also based on estimates of the probability of the Corporation utilizing certain tax pools and assets which, in turn, is dependent on estimates of mineral reserves, production rates, future mineral prices and changes in legislation, tax rates and interpretations by taxation authorities. The availability of tax pools is subject to audit and interpretation by taxation authorities.

Stock-based compensation

The amounts recorded relating to the fair value of options issued are based on estimates of the future volatility of the Corporation's share price, forfeiture rates, expected lives of the underlying security, expected dividends and other relevant assumptions.



4. Significant accounting policies

(a) Exploration and evaluation expenditures and property and equipment

The Corporation accounts for exploration and evaluation costs according to IFRS 6 “Exploration for and Evaluation of Mineral Resources”.

All license acquisitions and exploration and evaluation costs that are directly attributable to each identifiable project area are capitalized. These costs include researching and analyzing exploration data, conducting geological studies, exploratory drilling and sampling, examining and testing extraction and treatment methods, and/or completing prefeasibility and feasibility studies. Costs accumulated in respect of each identifiable project area are classified as exploration and evaluation assets and are only carried forward to the extent that they are expected to be recouped through the successful development of the areas or where activities in the areas have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves. Pre-license costs are expensed immediately. Other costs are also expensed unless commercial reserves have been established or the determination process has not been completed. Accumulated costs in relation to an abandoned area are written off in the statement of loss in the period in which the decision to abandon the area is made.

Exploration and evaluation assets are not depleted or depreciated. When production commences, the accumulated costs for the identifiable project will be transferred to property and equipment and will be depleted or depreciated over the estimated life of the commercial reserves on a unit-of-production basis.

(b) Impairment of exploration and evaluation assets

Exploration and evaluation assets are assessed for impairment whenever facts or circumstances suggest that the carrying amount exceeds the recoverable amount. Indicators of impairment arise typically when one of the following circumstances applies:

- unexpected geological occurrences that render the resource uneconomic;
- title to the asset is compromised;
- variations in metal prices that render the project uneconomic;
- the Corporation no longer retains the legal right to conduct exploration activities; and
- the Corporation determines that it no longer wishes to continue to evaluate or develop the property.

Exploration and evaluation assets are also assessed for impairment upon their reclassification to property and equipment. Impairment reviews for exploration and evaluation costs are carried out on a project by project basis, with each project representing a potential single cash generating unit (“CGU”), defined as the lowest levels for which there are separately identifiable cash inflows. An asset’s carrying value is written down to its estimated recoverable amount (being the higher of the fair value less costs of disposal and value in use) if the estimated recoverable amount is less than the asset’s carrying amount. Fair value is determined to be the amount for which the asset could be sold in an arm’s length transaction between knowledgeable and willing parties. The fair value less costs of disposal used to determine the recoverable amount of exploration and evaluation assets are classified as Level 3 fair value measurements as they are not based on observable market data. Refer to Note 5(b) for information on fair value hierarchy classifications. Impairment losses are recognized in the statement of loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that



the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation or amortization, if no impairment loss had been recognized.

(c) Provisions and contingent liabilities

Provisions are recognized by the Corporation when it has a legal or constructive obligation as a result of past events, it is probable that an outflow of economic resources will be required to settle the obligation and a reliable estimate can be made of the amount of that obligation. Provisions are stated at the present value of the expenditure expected to settle the obligation. The obligation is not recorded and is disclosed as a contingent liability if it is not probable that an outflow will be required, if the amount cannot be estimated reliably or if the existence of the outflow can only be confirmed by the occurrence of a future event.

Decommissioning provisions

Decommissioning provisions are recognized for decommissioning and restoration obligations associated with the Corporation's exploration and evaluation assets. The best estimate of the expenditure required to settle the present obligation at the statement of financial position is recorded on a discounted basis using the pre-tax risk-free interest rate. The future cash flow estimates are adjusted to reflect the risks specific to the liability. The value of the obligation is added to the carrying amount of the associated exploration and evaluation asset. The provision is accreted over time through charges to financing expenses with actual expenditures charged against the accumulated obligation. Changes in the future cash flow estimates resulting from revisions to the estimated timing or amount of undiscounted cash flows or the discount rate are recognized as changes in the decommissioning provision and related asset. Actual decommissioning expenditures up to the recorded liability at the time are charged against the provision as the costs are incurred. Any differences between the recorded provision and the actual costs incurred are recorded as a gain or loss.

Management has considered the need for any necessary decommissioning provisions for the cost of rectifying any environmental damage as might be required under legislation and the Corporation's mining claims obligations. In its view, no provision is necessary at December 31, 2016 or 2015, for any future costs of decommissioning or any environmental damage.

(d) Flow-through shares

From time to time, the Corporation finances a portion of its exploration and development activities through the issuance of flow-through shares. Under the terms of the flow-through share agreements, the tax attributes of the related expenditures are renounced to subscribers. The stated capital recorded on flow-through share issuances is equal to the estimated fair value of the common shares, exclusive of the flow-through component, on the date of issue. The difference between the gross proceeds received and the stated capital recorded is a liability "flow-through share premium" until qualifying expenditures are incurred. When the expenditures are incurred, the resulting deferred tax liability is recorded through income tax expense less the reversal of the flow-through share premium previously reported.

(e) Income taxes

Income tax expense comprises current and deferred tax, income tax expense is recognized in the statement of loss except to the extent that it relates to items recognized directly in equity or other comprehensive loss.

Current tax is the expected tax payable on the taxable income for the period and any adjustment to tax payable in respect of previous periods.



Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

(f) Leases

Leases that transfer substantially all of the benefits and risks of ownership to the Corporation are accounted for at the commencement of the lease term as finance leases and recorded as property and equipment at the fair value of the leased asset, or, if lesser, at the present value of the minimum lease payments, together with an offsetting liability. Finance charges are allocated to each period so as to achieve a constant rate of interest on the remaining balance of the liability and are charged directly against income. Capitalized lease assets are depreciated over the shorter of the estimated useful life of the asset or the lease term. All other leases are accounted for as operating leases and the lease costs are expenses as incurred.

(g) Share-based payments

The Corporation has a stock option plan as described in Note 8. Stock options granted to directors and officers of the Corporation are accounted for using the fair value method under which compensation expense is recorded based on the estimated fair value of the stock options at the grant date using the Black-Scholes option pricing model.

The Corporation measures stock-based compensation to non-employees at the fair value of the goods or services received at the date the goods or services are received. If the fair value of the goods or services cannot be measured reliably, the value of the options granted is measured using the Black-Scholes option pricing model.

Each tranche in an award is considered a separate award with its own vesting period and grant date from value. Compensation cost is expensed over the vesting period with a corresponding increase in contributed surplus. When stock options are exercised, the cash proceeds along with the amount previously recorded as contributed surplus are recorded as share capital. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of stock options that vest.

(h) Loss per share

The computation of basic loss per share uses the weighted average number of common shares outstanding during the year. Diluted income per share reflects the potential dilution that would occur if stock options were exercised. The Corporation uses the treasury stock method for calculating diluted income per share which assumes that all outstanding stock options with an exercise price below the average market prices are exercised and assumed proceeds plus the unamortized portion of stock-



based compensation are used to purchase the Corporation's common shares at the average market price during the period.

(i) Financial instruments

(i) *Classification and measurement*

Financial instruments are measured at fair value on initial recognition of the instrument. Measurement in subsequent periods depends on whether the financial instrument has been classified as "fair value through the statement of loss", "loans and receivables", "available-for-sale", "held-to-maturity", or "financial liabilities measured at amortized cost" as defined by IAS 39, "Financial Instruments: Recognition and Measurement".

Financial assets and financial liabilities at "fair value through the statement of loss" are either classified as "held for trading" or "designated at fair value through the statement of loss" and are measured at fair value with changes in fair value recognized in the statement of loss. Transaction costs are expensed when incurred. The Corporation has designated cash as "held for trading".

Financial assets and financial liabilities classified as "loans and receivables", "held-to-maturity", or "financial liabilities measured at amortized cost" are measured at amortized cost using the effective interest method of amortization. "Loans and receivables" are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. "Held-to-maturity" financial assets are non-derivative investments that an entity has the positive intention and ability to hold to maturity. "Financial liabilities measured at amortized cost" are those financial liabilities that are not designated as "fair value through the statement of loss" and that are not derivatives. The Corporation has designated accounts payable and accrued liabilities and due to related parties as "financial liabilities measured at amortized cost".

Financial assets classified as "available-for-sale" are measured at fair value, with changes in fair value recognized in other comprehensive loss. Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. The Corporation has no available-for-sale assets.

(ii) *Equity instruments*

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity, net of any tax effects.

(iii) *Impairment*

The Corporation assesses at each statement of financial position date whether there is objective evidence that financial assets, other than those designated as "fair value through the statement of loss" are impaired. When impairment has occurred, the cumulative loss is recognized in the statement of loss. For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to the statement of loss in the period. Impairment losses may be reversed in subsequent periods.



(j) Recent accounting pronouncements

The following pronouncements have been issued but are not effective, and accordingly, have not been applied in preparing these financial statements. The Corporation is currently assessing the effect of the adoption of the standards on its financial statements.

Pronouncement effective for annual periods beginning on or after January 1, 2018

IFRS 9 “Financial Instruments”

IFRS 9 provides a comprehensive standard on accounting for financial instruments. The package of improvements introduced by IFRS 9 includes a logical model for classification and measurement, a single, forward-looking “expected loss” impairment model and a substantially-reformed approach to hedge accounting.

Pronouncement effective for annual periods beginning on or after January 1, 2019

IFRS 16 “Leases”

The IASB has developed a new standard, IFRS 16 “Leases”, which supersedes IAS 17 “Leases”. IFRS 16 sets out principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer (“lessee”) and the supplier (“lessor”). Lessee accounting will change substantially under this new standard while there is little change for the lessor. IFRS 16 eliminates the classification of leases as either operating leases or financing leases and, instead, introduces a single lessee accounting model. A lessee will be required to recognize assets and liabilities for all leases with a term of more than 12 months (unless the underlying asset is of low value) and will be required to present depreciation of leased assets separately from interest on lease liabilities in the income statement. A lessor will continue to classify its leases as operating leases or financing leases, and to account for those two types of leases separately.

5. Financial instruments and risk management

(a) *Risk management overview*

The Corporation's activities expose it to a variety of financial risks including credit risk and liquidity risk. This note presents information about the Corporation's exposure to each of the above risks, the Corporation's objectives, policies and processes for measuring and managing risk, and the Corporation's management of capital. Further quantitative disclosures are included throughout these financial statements. The Corporation employs risk management strategies and policies to ensure that any exposure to risk are in compliance with the Corporation's business objectives and risk tolerance levels. While the Board of Directors has the overall responsibility for the Corporation's risk management framework, the Corporation's management has the responsibility to administer and monitor these risks.

(b) *Fair value of financial instruments*

The fair values of accounts payable and accrued liabilities and due to related parties approximate their carrying value due to the short-term maturity of those instruments.

The significance of inputs used in making fair value measurements are examined and classified according to a fair value hierarchy. Fair values of assets and liabilities included in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Assets and liabilities in Level 2 include valuations using inputs other than quoted prices for which all significant outputs are observable, either directly or indirectly, and are based on valuation models and techniques



where the inputs are derived from quoted indices. Level 3 valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

Cash is measured at fair value based on a Level 1 designation.

(c) *Credit risk*

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The financial instrument that potentially subjects the Corporation to a significant concentration of credit risk consists of cash. The Corporation mitigates its exposure to credit loss by placing its cash in a major financial institution.

(d) *Liquidity risk*

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they are due. The Corporation's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when due.

At December 31, 2016, the Corporation's accounts payable and accrued liabilities are all due within the next year. The amounts due to related parties have no set terms of repayment.

During the years ended December 31, 2016 and 2015 the Corporation received advances from related parties (Note 9) to assist in the management of liquidity risk. The Corporation may need to complete further equity issuances, issue debt or postpone/cease certain expenses and/or exploration and evaluation assets expenditures in order to settle all financial liabilities in the next twelve months. (see also Note 12).

(e) *Capital management*

The Corporation's policy for managing capital is to maintain a strong capital base for the objectives of maintaining financial flexibility and to sustain the future development of the business. The Corporation's primary objective with respect to its capital management is to ensure that it has sufficient cash resources available to fund the identification and evaluation of potential mining interests. To secure the additional capital necessary to pursue these plans, the Corporation may adjust spending, raise additional funds through the issuance of equity or by securing strategic partners. The Corporation's officers are responsible for managing the Corporation's capital and the Corporation's Board of Directors is responsible for overseeing this process.

Canadian Platinum Corp.
Notes to the Financial Statements
For the years ended December 31, 2016 and 2015
(amounts in Canadian dollars)



The Corporation includes shareholders' equity and due to related parties in the definition of capital as follows:

	December 31, 2016	December 31, 2015
Shareholders' equity	\$2,493,638	\$5,589,246
<u>Due to related parties</u>	<u>399,372</u>	<u>333,718</u>
<u>Capital</u>	<u>\$2,893,010</u>	<u>\$5,922,964</u>

The Corporation manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Corporation may adjust spending, issue new shares or incur debt. The Corporation's ability to raise additional equity or debt financing is impacted by external conditions including the global economic downturn.

During the years ended December 31, 2016 and 2015, the Corporation received advances from related parties (Note 9) to assist in the management of capital. The Corporation will need to raise sufficient capital resources in order to carry its exploration plans and operations for the upcoming year. (see also Note 12).

The Corporation is not subject to externally imposed capital requirements.

There were no changes in the Corporation's approach to capital management during the years ended December 31, 2016 or 2015.

6. Exploration and evaluation assets

Exploration and evaluation ("E&E") assets consist entirely of capitalized exploration and evaluation expenditures. E&E assets include costs incurred in relation to the Corporation's mining claims. These amounts have not been expensed to the statement of loss as exploration expenses because commercial reserves have not yet been established or the determination process has not yet been completed.

The outcome of ongoing exploration and evaluation, and therefore whether the carrying value of E&E assets will ultimately be recovered, is inherently uncertain. Management has assessed the value of the E&E assets and has written down the Peter Lake property in the amount of \$2,944,557 (2015 - \$2,539,456), the Brabant Lake property in the amount of \$Nil (2015 - \$102,134) and the Copper Hill property in the amount of \$28,706 (2015 - \$Nil). This assessment estimates the minimum fair value based on unobservable (level 3) valuation inputs which includes a review of the expiry dates of claims, the likelihood of meeting the annual expenditure requirements to maintain the claims in good standing and management's intention on pursuing the mining claims in the future.

Canadian Platinum Corp.
Notes to the Financial Statements
For the years ended December 31, 2016 and 2015
(amounts in Canadian dollars)



	December 31, 2014	Net Additions	December 31, 2015	Net Additions	December 31, 2016
Peter Lake					
Property acquisition costs	\$ 586,632	\$ -	\$ 586,632	\$ -	\$ 586,632
Geological and consulting	3,959,543	2,664	3,962,207	-	3,962,207
Drilling	5,915,340	-	5,915,340	-	5,915,340
Impairment loss	(2,035,609)	(2,539,456)	(4,575,065)	(2,944,557)	(7,519,622)
	8,425,906	(2,536,792)	5,889,114	(2,944,557)	2,944,557
Brabant Lake					
Acquisition	141,340	-	141,340	-	141,340
Geological and consulting (recovery)	233,540	(1,764)	231,776	-	231,776
Impairment loss	(232,908)	(102,134)	(335,042)	-	(335,042)
	141,972	(103,898)	38,074	-	38,074
Copper Hill					
Geological and consulting	-	28,706	28,706	(28,706)	-
	-	28,706	28,706	(28,706)	-
Craig Lake/Flin Flon South					
Property acquisition costs	282,437	-	-	-	-
Geological and consulting	358,661	1,425	1,425	-	1,425
Drilling	616,046	-	-	-	-
Impairment loss	(1,257,144)	-	-	-	-
	-	1,425	1,425	-	1,425
Total exploration and evaluation costs	\$ 8,567,878	\$ (2,610,559)	\$ 5,957,319	\$ (2,973,263)	\$ 2,984,056

Peter Lake Platinum Project

The Peter Lake Property, located in northern Saskatchewan, comprises 13 mining claims covering 43,697 hectares. Management has allowed mining claims to expire since 2013. As a result the Corporation recorded an impairment loss of \$2,539,456 for the year ending December 31, 2015. A further impairment loss of \$2,944,557 was recorded for the year ended December 31, 2016, based on the estimated current fair value of the property, as determined by management. The active claims require the Corporation to incur annual exploration expenditures of \$15 per hectare in the second to tenth years following the effective date of staking, and \$25 per hectare in each year after the tenth year following the effective date of staking. Exploration expenditures in excess of the annual requirements are carried forward as assessment credits. As at December 31, 2016 the Corporation had \$5,416,614 in assessment credits. The assessment credits are sufficient to keep the current 13 claims in good standing as follows:

- 1 claim covering 4,702 hectares until February 21, 2017;
- 5 claims covering 7,495 hectares until March 21, 2018;
- 1 claim covering 5,063 hectares until August 12, 2018;
- 1 claim covering 5,249 hectares until August 12, 2021;
- 1 claim covering 5,621 hectares until August 12, 2022;
- 2 claims covering 8,039 hectares until August 12, 2024; and
- 2 claims covering 7,528 hectares until August 12, 2034

Subsequent to December 31, 2016 one claim was allowed to lapse and may be restaked at a later date.



Brabant Lake Graphite Project

The Brabant Lake Property, located in northern Saskatchewan, comprises 1 mining claim. Management has allowed mining claims to expire since 2013 and the Corporation recorded an impairment loss of \$102,134 for the year ended December 31, 2015 (2016 - \$Nil). The remaining active claim covering 703 hectares has \$27,332 in assessment credits which are sufficient to keep the claim in good standing until August 12, 2019.

Copper Hill

On June 4, 2015 the Company entered into an option agreement with a company controlled by a director to acquire a 100% interest in the Copper Hill porphyry copper project, subject to a 3% net smelter return, by making payments over a three year period totaling \$100,000 if exercised. The project is comprised of 126 claims covering 1,040 hectares located 65km south of Las Vegas, NV, USA near the historic mining town of Seachlight. As at December 31, 2016, the Corporation has not made any option payments for the property. Because large-scale solar farm construction, immediately contiguous to the property, made exploration work difficult the Corporation decided to terminate the option agreement and has recorded an impairment loss of \$28,706 for the year ended December 31, 2016.

Craig Lake/Flin Flon South

The Craig Lake/Flin Flon South property consists of 3 mining claims covering 4,977 hectares. These claims are subject to a 3% net smelter royalty which may be acquired by the Corporation, at any time, for a cash payment of \$5,000,000. As at December 31, 2016 the Corporation had \$452,343 in assessment credits on the Craig Lake claims. The assessment credits are sufficient to keep the current claims in good standing as follows:

2 claims covering 2,213 hectares until November 30, 2017; and
1 claim covering 2,764 hectares until April 9, 2026.

7. Income taxes

(a) The provision for income taxes differs from the results which would be obtained by applying the combined federal and provincial income tax rates to loss before taxes as follows:

	2016	2015
Loss before income taxes	\$ 3,123,805	\$ 2,789,322
Effective statutory income tax rate	27%	27%
Expected income tax recovery	\$ (843,427)	\$ (753,117)
Difference resulting from:		
Stock-based compensation	7,612	3,187
Tax asset not recognized	835,815	749,930
Deferred income tax recovery	\$ -	\$ -

Canadian Platinum Corp.
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For the years ended December 31, 2016 and 2015
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(b) Deferred tax liabilities

The following information summarizes the principal timing differences:

	2016	2015
Deferred tax liabilities		
Exploration and evaluation assets	\$ -	\$ -
<hr/>		
Deferred tax assets		
Exploration and evaluation assets	1,253,316	450,535
Non-capital losses carried forward	562,555	520,061
Share issuance costs	-	9,460
Capital loss carried forward	27,926	27,926
Tax assets not recognized	(1,843,797)	(1,007,982)
<hr/>		
	-	-
<hr/>		
Net deferred tax liabilities	\$ -	\$ -
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(c) Losses carried forward

As at December 31, 2016 the Corporation has approximately \$2,075,000 of non-capital losses carried forward which are available to reduce taxable income expiring as follows:

2036	\$	150,000
2035		221,000
2034		218,000
2033		372,000
2032		511,000
2031		47,000
2030		369,000
2029		127,000
2028		43,000
2027-2020		17,000
		<hr/>
		\$ 2,075,000

In addition, at December 31, 2016 the Corporation has \$206,862 capital loss carried forward to reduce future taxable capital gains indefinitely for which no tax benefit has been recognized in the financial statements.

8. Share capital

The authorized share capital of the Corporation is unlimited number of common shares without par value and an unlimited number of preferred shares, issuable in series, with the rights, privileges, restrictions and conditions designated by the Board of Directors at the time of issuance. The Corporation did not issue any securities during the years ended December 31, 2015 and December 31, 2016.

At December 31, 2016 and at the date hereof, there were 126,124,565, common shares outstanding and 10,300,000 stock options outstanding in the capital of the Corporation.

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Stock options

The Corporation has established a share based compensation plan pursuant to which options to purchase common shares may be granted to certain officers, directors and contractors of the Corporation as well as persons providing ongoing services to the Corporation. The aggregate number of shares issuable under the plan shall not exceed 10% of the issued and outstanding common shares of the Corporation. Unless otherwise determined by the Board of Directors of the Corporation, the exercise price of options equals the closing price of the common shares on the day prior to the date of the grant. Stock options vest in accordance with the determination of the Board at the time of the grant and may be granted for up to a ten year term.

On November 26, 2015 the Company granted 8,000,000 stock options valued at \$40,000 during the year ended December 31, 2015 which vested on March 26, 2016. During the year ended December 31, 2015 \$11,803 was expensed and during the year ended December 31, 2016, \$28,197 was expensed. No stock options were granted during the year ended December 31, 2016.

The following weighted average assumptions were used to estimate the fair value of options granted:

	2015
Expected stock price volatility	439%
Expected life of options	10 years
Risk free interest rate	1.57%
Expected dividend yield	0%
Forfeiture rate	0%
Weighted average fair value per option granted in the year	\$0.005

A summary of the status of the Corporation's incentive stock option plan as at December 31, 2016 and 2015 is as follows:

	2016		2015	
	Number of options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of year	10,300,000	\$ 0.12	4,265,000	\$ 0.35
Granted	-	-	8,000,000	0.05
Forfeited	-	-	(1,965,000)	0.35
Outstanding, end of year	10,300,000	\$ 0.12	10,300,000	\$ 0.12
Exercisable, end of year	10,300,000	\$ 0.12	2,300,000	\$ 0.35

10,300,000 stock options outstanding and exercisable at December 31, 2016 have a weighted average remaining contractual life of 8.01 years.

Canadian Platinum Corp.
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9. Related party transactions

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation as a whole. The Corporation has determined that this consists of corporate officers, executive and non-executive members of the Corporation's Board of Directors and companies owned by these individuals. During the year, the Corporation was charged \$50,000 (2015 - \$50,000) by key management personnel for management fees which is included in professional fees. Of this amount, accounts payable and accrued liabilities includes \$56,875 (2015 - \$13,125) under normal trade terms.

At December 31, 2016, the Copper Hill option agreement was terminated along with the commitment to make the \$100,000 option payment.

In addition, funds have been advanced by directors of the Corporation to fund general and administrative and exploration and evaluation assets expenditures. These advances are non-interest bearing, unsecured and have no set terms of repayment. The outstanding balance as at December 31, 2016 for advances from these related parties is \$399,372 (2015 - \$333,718).

10. Supplemental cash flows information

Changes in non-cash working capital for the years ended December 31, 2016 and 2015 is comprised of:

	2016	2015
Provided by (used in):		
GST recoverable	\$ 4,851	\$ (5,777)
Prepaid expenses	1,225	-
Accounts payable and accrued liabilities	50,051	5,535
	<u>\$ 56,127</u>	<u>\$ (242)</u>

There was no interest or income taxes paid during the year ended December 31, 2016 or 2015.

11. Commitments

The Corporation entered into a one year lease agreement for its office premises with monthly payments of \$1,295, which expires on October 31, 2017.

12. Subsequent events

- (a) Subsequent to December 31, 2016, management of the Corporation entered into a Sale and Purchase Agreement to acquire a 70% working interest in the Cook Gold Project in Humboldt County Nevada. Consideration for the purchase is 50 million common shares of the Corporation to be issued upon the transaction closing. The TSX Venture Exchange has provided conditional approval on this transaction, subject to receiving disinterested shareholder approval of the transaction and the creation of a new control person. The Seller is a non-arm's length party who currently owns more than 10% of the issued and outstanding shares of the Corporation. The Seller will retain a 30% interest carried to completion of a feasibility study suitable for project financing. There are no finder's fees associated with the transaction. The property consists of 88 lode claims covering 7.4 sq km and is located 100km northwest of Winnemucca, Nevada. There are no work commitments, but the Corporation does commit to keep the mineral claims in good standing by making the required annual fee payments of US\$13,640 to the Bureau of Land Management. The property is subject to a 2.5% Net Smelter Royalty in favour of arm's length third parties.

Canadian Platinum Corp.
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- (b) Subsequent to December 31, 2016, a director of the Corporation advanced \$26,000 to fund general and administrative expenses. The advance is non-interest bearing, unsecured and has no set terms of repayment.

This Management Discussion and Analysis ("MD&A") of the financial condition and results of operations for Canadian Platinum Corp. ("Canadian Platinum" or the "Corporation") is dated April 28, 2017 and should be read in conjunction with the Company's audited annual financial statements for the year ended December 31, 2016, together with the accompanying notes thereto.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Board's audit committee meets with management quarterly to review the financial statements including the MD&A and to discuss other financial, operating and internal control matters.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements.

Additional information relating to Canadian Platinum can be found on SEDAR at www.sedar.com.

Forward-looking Statements

This MD&A may contain certain forward-looking statements with respect to the Corporation. These forward-looking statements are subject to both known and unknown risks and uncertainties which may cause actual results, performances or achievements to be materially different from those contemplated by such forward-looking statements. The Corporation considers the assumptions on which these forward-looking statements are based to be reasonable at the time they were prepared, but caution the reader that these assumptions regarding future events, many of which are beyond the control of management, may ultimately prove to be incorrect. The Corporation does not, except as required by law, undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Overview

Canadian Platinum Corp. is a Canadian-based, publicly listed company that resulted from the amalgamation of McGregor Capital Corp. and Canadian Platinum Corp. on November 2, 2011. The Corporation trades on the TSX.V under the symbol "CPC".

The Corporation is an exploration stage company and has no revenues. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Corporation to obtain the necessary approvals and financing to complete the development, and future profitable production from the properties or proceeds from disposition. The Corporation has, in the past, been dependent on raising cash through the sale of its common shares, either by way of private placement or through the exercise of warrants or options. The Corporation fully anticipates undertaking further private placements or public offerings in the future in order to finance business opportunities as they may arise.

Ownership in mineral interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral interests. The Corporation has investigated ownership of its mineral interests and, to the best of its knowledge, such ownership interests are in good standing.

Performance Summary

The Corporation has written down the value of its properties to the current assessed value of the projects and will continue to focus on its core project, the Peter Lake platinum project, as well as the Craig Lake project which is fully permitted for drilling. The Brabant Lake graphite project was also maintained and assessment work filed to keep priority claims in good standing. Management continues to actively seek out and evaluate other projects that would be a good corporate fit and could be of interest to potential investors.

Subject to the availability of capital, the Corporation will continue to carry out exploration and development work on its projects as warranted. The Corporation may also seek out joint ventures and other opportunities to enhance shareholder value.

Assets of the Corporation

In addition to cash, prepaid expenses, and GST recoverable, the Corporation's major asset is its investment in mineral properties. As of December 31, 2016, the Corporation's investment in mineral properties totaled \$2,984,056 as compared to \$5,957,319 at December 31, 2015.

Exploration Properties

The Corporation has written down the value of its mineral properties and will continue to focus on the core project, the Peter Lake platinum project. The Corporation also re-evaluated previous work completed on the Craig Lake/Flin Flon project and concluded that drilling was warranted on 2 DPEM targets. Drilling permits were applied for and received in late 2015. The Brabant Lake graphite project was also maintained and assessment work filed to keep priority claims in good standing. Management continues to actively seek out and evaluate other projects that would be a good corporate fit and could be of interest to potential investors in the Corporation.

Peter Lake Platinum Project

The Peter Lake Property, located in northern Saskatchewan, approximately 110km south of Points North Landing, consists of 13 active mineral dispositions totaling 43,697 hectares. Additional mineral claims were allowed to expire since 2013. The Corporation recorded an impairment loss of \$1,230,711 in 2013, \$804,898 in 2014, \$2,539,456 in 2015 and \$2,944,557 in 2016. Subsequent to year end one claim was allowed to lapse and may be restaked at a later date.

The claims cover a significant portion of the Peter Lake Domain, which hosts the Swan River Complex, the largest mafic/ultramafic complex in North America next to the Duluth Complex (Hulbert, 1988). Previous work has established the existence of significant platinum group element ("PGE") mineralization together with significant copper and nickel values. The Swan River Complex is considered to be prospective for magmatic breccia type PGE deposits similar to Lac des Iles in Ontario (from the NI 43-101-compliant technical report prepared by Roscoe Postle Associates Inc. entitled "Technical Report on the Peter Lake Project, Northern Saskatchewan, Canada" effective July 12, 2012, hereinafter the "RPA Report").

Between 2009 and 2011 the Corporation completed extensive geophysical surveys including 10,878 line-km of airborne ZTEM, VTEM, and Magnetometer surveys, and 35 line-km of Horizontal Loop and Pulse EM ground surveys. As a result of these surveys, correlations were made with known PGE mineralization and many similar anomalies were identified, in particular from the VTEM results, in the Swan Lake area of the Swan River Complex. Based on a combination of known mineralization and geophysical results drill testing was also completed over a number of areas in the same 2009-2011 time period. A total of 59 diamond drill holes totaling 16,174 metres were completed with 47 of those drill holes, totaling 13,928

metres, concentrated on the Swan Lake Zone. The Swan Lake Zone was historically known to host PGE and Ni-Cu mineralization and correlates with a VTEM anomaly. In the RPA Report it is noted that there are 16 additional VTEM targets in the Swan Lake area similar to that of the Swan Lake Zone.

The work to date including surface prospecting, geochemistry, geophysics and drilling has proven the Peter Lake project area hosts significant Ni-Cu-PGE mineralization and that there are a large number of highly prospective targets identified, in addition to the Swan Lake Zone, requiring follow-up exploration. The Corporation has already started the process of compiling all the existing geophysical data with the goal of prioritizing the most prospective targets for Ni-Cu-PGE mineralization. A consultant with expertise in interpreting geophysics, in particular VTEM and ZTEM, in mafic/ultramafic environments will be engaged to assist in that effort. As part of the re-evaluation of historic work, management determined that the Peter Lake project contains significant cobalt mineralization associated with Ni values. With the recent dramatic rise in cobalt prices, recovery of cobalt could positively impact project economics.

Brabant Lake Graphite Project

The Brabant Lake Property is a grassroots prospect consisting of 1 mineral claim covering 703 hectares near Peter Lake in northern Saskatchewan. Three (3) additional claims were allowed to expire since 2013 and the Corporation recorded an impairment loss of \$232,908 for the year ending December 31, 2013, and \$102,134 for the year ending December 31, 2015.

Extensive surface sampling and ground geophysics, including VLF-EM and magnetics, has identified 3 separate zones of large-flake graphite mineralization on the property.

The most promising showing, the Ben showing, produced assay results from 6.4% graphitic carbon ("Cgr") to 48.4% Cgr. Samples from each showing indicated that 82% to 86% of the graphite reported to the +80 mesh (+0.18mm) size fraction and 70% to 79% reported to the +50 mesh (+0.30mm) size fraction.

The Company is currently assessing options to continue exploration on the Brabant Lake Project. The next stage of work would include trenching, sampling and assaying as well as preliminary metallurgical work. If the results are positive, a limited drill program would be considered.

Copper Hill

On June 4, 2015 the Company entered an option agreement with a company controlled by a director to purchase a 100% interest in the Copper Hill porphyry copper project, subject to a 3% net smelter return, would require making payments over a three year period totaling \$100,000 if exercised. The project is comprised of 126 claims covering 1,040 hectares located 65km south of Las Vegas, NV, USA near the historic mining town of Searchlight. As at December 31, 2016, the Corporation has not made any option payments for the property. Because large-scale solar farm construction, immediately contiguous to the property, made exploration work difficult the Corporation decided to terminate the option agreement. The Corporation recorded an impairment loss of \$28,706 for the year ending December 31, 2016.

Craig Lake/Flin Flon South

The Craig Lake/Flin Flon South property consists of 3 mining claims covering 4,977 hectares. These claims are subject to a 3% net smelter royalty which may be acquired by the Corporation, at any time, for a cash payment of \$5,000,000. Management did not actively explore this property in 2014 and the Corporation recorded an impairment loss of \$1,257,144 for the year ending December 31, 2014. Due to interest from a third party in carrying out additional work on the property, the Corporation re-evaluated previous work and concluded that 2 DPEM targets warranted drilling. As a result 2 additional claims were added to the property, and permits to drill 2 diamond drill holes received. This drilling is expected to be carried out in 2017 dependent on the availability of capital via equity financing or entering into a joint venture with a suitable partner.

Results of Operations

The Corporation has no material revenues, and is dependent upon both satisfactory results from exploration and access to capital on reasonable terms in order to advance its projects.

Selected Annual Financial Information

	2016	2015	2014
Net comprehensive loss	(\$3,123,805)	(\$2,789,322)	(\$1,795,826)
Basic and diluted loss per share	(\$0.02)	(\$0.02)	(\$0.01)
Total assets	\$2,987,974	\$5,967,877	\$8,574,556

Selected Quarterly Financial Information

The following quarterly financial data is derived from the financial statements of the Corporation for the three-month periods ended on the dates indicated below:

	Dec 31/16	Sep 30/16	Jun 30/16	Mar 31/16
Total assets	\$2,987,974	\$5,962,530	\$5,959,187	\$5,972,681
Exploration and evaluation assets	\$2,984,056	\$5,957,319	\$5,957,319	\$5,957,319
Working capital deficiency	(\$490,418)	(\$445,301)	(\$416,824)	(\$387,739)
Shareholders' equity	\$2,493,638	\$5,512,018	\$5,540,495	\$5,569,580
Net comprehensive loss	(\$3,018,531)	(\$28,477)	(\$27,934)	(\$47,863)
Loss per share (basic and diluted)	\$(0.02)	\$(0.0001)	\$(0.0001)	\$(0.0004)
	Dec 31/15	Sep 30/15	Jun 30/15	Mar 31/15
Total assets	\$5,967,877	\$8,678,397	\$8,678,170	\$8,574,648
Exploration and evaluation assets	\$5,957,319	\$8,667,878	\$8,667,878	\$8,567,878
Working capital deficiency	(\$368,073)	(\$387,309)	(\$370,290)	(\$220,334)
Shareholders' equity	\$5,589,246	\$8,280,570	\$8,297,588	\$8,347,544
Net comprehensive loss	(\$2,703,127)	(\$17,019)	(\$49,955)	(\$19,221)
Loss per share (basic and diluted)	\$(0.02)	\$(0.0001)	\$(0.0004)	\$(0.0001)

Comparison of the Three Months Results

During the quarter ended December 31, 2016, the Company reported a net loss of \$3,018,531 (\$2,703,127 in 2015), including impairment charges of \$2,973,263 (\$2,641,590 in 2015).

The following is a comparison of significant items from operations: professional fees of \$33,960 (\$36,470 in 2015), filing fees of \$190 (\$1,917 in 2015), and transfer agent fees of \$4,696 (\$1,233 in 2015).

Comparison of the Year Ended Results

During the year ended December 31, 2016, the Company reported a net loss of \$3,123,805 (\$2,789,322 in 2015), including impairment charges of \$2,973,263 (\$2,641,590 in 2015) and stock-based compensation expense of \$28,197 (\$11,803 in 2015).

The following is a comparison of significant items from operations: advertising and promotion of \$250 (\$23,743 in 2015), professional fees of \$83,172 (\$72,553 in 2015), filing fees of \$10,714 (\$12,193 in 2015) and transfer agent fees of \$2,575 (\$5,902 in 2015).

Capital Expenditures

The Corporation used its cash on hand for the acquisition and development of mineral properties and related equipment. During the year ended December 31, 2016, the Corporation incurred \$Nil in capital expenditures as compared to \$31,031 for the same period in 2015.

Financial Condition/Liquidity/Capital Resources

The Corporation has historically relied upon advances from its shareholders and directors and the equity capital markets to raise funds to finance its mineral property acquisitions and exploration programs. As of December 31, 2016, the Corporation has a cash balance of \$463 to fund its future activities. In addition, the directors have advanced funds to the Corporation since 2013 to fund general and administrative expenses. These advances are non-interest bearing, unsecured and have no set terms of repayment. The outstanding balance as at December 31, 2016 for advances from these related parties is \$399,372 (2015 - \$333,718). Subsequent to December 31, 2016, a director of the Corporation advanced \$26,000 to fund general and administrative expenses.

Share Capital

The authorized share capital of the Corporation is unlimited number of common shares without par value and an unlimited number of preferred shares, issuable in series, with the rights, privileges, restrictions and conditions designated by the Board of Directors at the time of issuance. The Corporation did not issue any securities during the years ended December 31, 2015 and December 31, 2016.

At December 31, 2016 and at the date hereof, there were 126,124,565, common shares outstanding and 10,300,000 stock options outstanding in the capital of the Corporation.

Stock Options

The Corporation has established a share based compensation plan pursuant to which options to purchase common shares may be granted to certain officers, directors and contractors of the Corporation as well as persons providing ongoing services to the Corporation. The aggregate number of shares issuable under the plan shall not exceed 10% of the issued and outstanding common shares of the Corporation. Unless otherwise determined by the Board of Directors of the Corporation, the exercise price of options equals the closing price of the common shares on the day prior to the date of the grant.

Stock options vest in accordance with the determination of the Board at the time of the grant and may be granted for up to a ten year term.

On November 26, 2015 the Company granted 8,000,000 stock options valued at \$40,000 during the year ended December 31, 2015 which vested on March 26, 2016. No stock options were granted during the year ended December 31, 2016.

A summary of the status of the Corporation's incentive stock option plan as at December 31, 2016 and 2015 is as follows:

	2016		2015	
	Number of options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of year	10,300,000	\$ 0.12	4,265,000	\$ 0.35
Granted	-	-	8,000,000	0.05
Forfeited	-	-	(1,965,000)	0.35
Outstanding, end of year	10,300,000	\$ 0.12	10,300,000	\$ 0.12
Exercisable, end of year	10,300,000	\$ 0.12	2,300,000	\$ 0.35

2,300,000 stock options outstanding and exercisable at December 31, 2016 have a weighted average remaining contractual life of 4.9 years. The additional 8,000,000 stock options outstanding at September 30, 2016 have a remaining contractual life of 8.9 years at December 31, 2016.

Related Party Transactions

Related parties and related party transactions impacting the accompanying financial statements include transactions with key management personnel. Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation as a whole. The Corporation has determined that this consists of corporate officers, executive and non-executive members of the Corporation's Board of Directors and companies owned by these individuals. During the year, the Corporation was charged \$50,000 by key management personnel, representing a full year (2015 - \$50,000) of management fees which is recorded in professional fees. Of this amount, \$56,875 (2015 - \$13,125) is included in accounts payable and accrued liabilities under normal trade terms.

In addition, funds have been advanced by directors of the Corporation since 2013 to fund general and administrative expenses. The advances are non-interest bearing, unsecured and have no set terms of repayment. The outstanding balance as at December 31, 2016 for advances from related parties is \$399,372 (2015 - \$333,718).

Recent accounting pronouncements

The following pronouncements have been issued but are not effective. The Corporation is currently assessing the impact of the adoption of these standards on its financial statements.

Pronouncement effective for annual periods beginning on or after January 1, 2018

IFRS 9 “Financial Instruments”

IFRS 9 provides a comprehensive standard on accounting for financial instruments. The package of improvements introduced by IFRS 9 includes a logical model for classification and measurement, a single, forward-looking “expected loss” impairment model and a substantially-reformed approach to hedge accounting.

Pronouncement effective for annual periods beginning on or after January 1, 2019

IFRS 16 “Leases”

The IASB has developed a new standard, IFRS 16 “Leases”, which supersedes IAS 17 “Leases”. The IASB worked jointly with the FASB on this project. IFRS 16 sets out principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer (“lessee”) and the supplier (“lessor”). Lessee accounting will change substantially under this new standard while there is little change for the lessor. IFRS 16 eliminates the classification of leases as either operating leases or financing leases and, instead, introduces a single lessee accounting model. A lessee will be required to recognize assets and liabilities for all leases with a term of more than 12 months (unless the underlying asset is of low value) and will be required to present depreciation of leased assets separately from interest on lease liabilities in the income statement. A lessor will continue to classify its leases as operating leases or financing leases, and to account for those two types of leases separately.

Financial Instruments and Other Instruments

The Corporation's financial instruments consist of cash, accounts payable and accrued liabilities and due to related parties. It is management's opinion that the Corporation is not exposed to significant liquidity, market or credit risks arising from its financial instruments and that the fair value of these financial instruments approximates their carrying values.

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation may need to complete further equity issuances, issue debt or postpone/cease certain expenses and/or exploration and evaluation asset expenditure in order to settle all financial liabilities in the next twelve months.

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Corporation does not have marketable securities or short-term investments. The Corporation's functional currency is Canadian and the Corporation's expenditures are predominantly in Canadian dollars.

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Credit risk is managed by placing cash in a major Canadian financial institution.

Risk Factors

Mineral exploration and evaluation involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. There is no assurance that the Corporation's mineral exploration and evaluation activities will result in any discoveries of new bodies of commercial ore. There is also no assurance that presently identified mineralization can be mined at a profit. Discovery of mineral deposits is dependent upon a number of factors and significantly influenced by the technical skill of the exploration personnel involved. The commercial viability of a mineral deposit is also dependent upon a number of factors, some of which are beyond the Corporation's control such as government policies and regulation and environmental protection

The Corporation is dependent on debt and equity financing to carry out its future exploration and evaluation plans and maintain its mineral properties in good standing. There can be no assurance that such financing will be available to the Corporation.

There is a degree of uncertainty attributable to the calculation of resource tonnages and grades. Resource estimates are dependent partially on statistical influences drawn from drilling, sampling and other data. The measured and indicated and inferred resource figures set forth by the Corporation are estimates, and there is no certainty that these resources can be converted into reserves with profitable extraction. Declines in the market prices for metals may adversely affect the economics of converting a resource estimate into a reserve.

Corporate Governance

Management of the Corporation is responsible for the preparation and presentation of the financial statements and the accompanying notes, the MD&A, and other information contained in this report.

Management also has the responsibility for the maintenance of adequate accounting records and internal controls, prevention and detection of fraud and errors, safeguarding of assets, selection, and application of suitable policies, and appropriate disclosure and the timely disclosure of financial information in the financial statements. The preparation of the financial statements in accordance with generally accepted accounting principles is also the responsibility of management.

Subsequent Events

Subsequent to December 31, 2016, a director of the Corporation advanced \$26,000 to fund general and administrative expenses. The advance is non-interest bearing, unsecured and has no set terms of repayment.

Also subsequent to December 31, 2016, management of the Corporation has entered into a Sale and Purchase Agreement to acquire a 70% working interest in the Cook Gold Project in Humboldt County Nevada. Consideration for the purchase is 50 million common shares of the Corporation to be issued upon the transaction closing. The TSX Venture Exchange has provided conditional approval on this transaction, subject to receiving disinterested shareholder approval of the transaction and the creation of a new control person. The Seller is a non-arm's length party who currently owns more than 10% of the issued and outstanding shares of the Corporation. The Seller will retain a 30% interest carried to completion of a feasibility study suitable for project financing. There are no finder's fees associated with the transaction. The property consists of 88 lode claims covering 7.4 sq km and is located 100km northwest of Winnemucca, Nevada. There are no work commitments, but the Corporation does commit to keep the mineral claims in good standing by making the required annual fee payments of US\$13,640 to the Bureau of Land Management. The property is subject to a 2.5% Net Smelter Royalty in favour of arm's length third parties.